



July 2005

Department
of Administration

State Employee
Medical and Dental
Insurance Programs

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STATE of IDAHO PLAN MEMBERS

EMPLOYEES,
RETIREES
and
DEPENDENTS
COVERED

As of June 30, 2005

Employees	18,307
Dependents	22,751
Retirees	3,137
Dependents	1,443
Total	45,638

- The State of Idaho currently appropriates \$593.75 a month, or \$7,125 per FTP per year, for active State employees enrolled in the Medical, Dental and Integrated Behavioral Health plans.

- As part of the appropriation, \$8 per month subsidizes Retiree Medical plan costs; \$17.08 is for Dental; and \$7.94 per FTP per month is for the Integrated Behavioral Health Plan.

State of Idaho

Fact Sheet ...

Administering Your Health Benefits



A Historical Perspective ...

The Department of Administration has operated under the principle that benefits provided to State of Idaho employees, whenever possible, be comparable to those provided by other major employers in Idaho. **The most comprehensive coverages available are negotiated based on the funding appropriated annually by the Idaho Legislature.**

Current Appropriation

The current appropriation is **\$593.75** a month, or **\$7,125 per FTP** per year. This includes **\$8** per month subsidy of the retiree medical plan costs, **\$17.08** for dental; and **\$7.94 per FTP** per month for the Integrated Behavioral Health Plan.

Negotiations Centralized in 1975

Prior to July 1974, each agency negotiated benefits for its employees. With the enactment of Idaho Code Sections 67-5760 through 67-5772, the authority and responsibility for the negotiation and placement of group insurance was centralized for all State agencies.

In **Fiscal Year 1975**, a comprehensive major medical benefits plan was implemented.

In **FY 1976**, the State moved to a Basic/Major Medical plan. At that time, the plan was competitively bid and Blue Shield was selected to administer the entire plan.

In **FY 1984**, the plan format was changed and made more comprehensive. Incentives were added to the plan to encourage employee use of lower cost services.

In **FY 1987**, a Dental Assistance plan was implemented.

Plan Changes and Choices

Since **FY 1991**, the State has paid a larger portion of dependent coverage; subsidized the retiree plan rates; and, built a reserve from which to pay the normal State medical/dental contribution for disabled employees for up to 30 months. A state-funded Employee Assistance Plan (EAP) was implemented in Fiscal Year 1991.

Multiple plan choices were offered in **FY 1994** with the implementation of HMO and Modular Indemnity Plan options. Effective **July, 2001** funding under the medical plans was used to implement the Integrated Behavioral Health Plan.

In **FY 2004** the Modular Indemnity Plan options and Point of Service Plan were replaced with one traditional indemnity plan.

For **FY 2005**, the Health Plan was re-marketed with contracts awarded to Blue Cross of Idaho, BPA Health and Vision Services Plan. Traditional and PPO Plan options were made available.

Flexible Spending Account Option Made Available in 1997

In **July 1997**, a Flexible Spending Account (FSA) option was made available. An FSA allows employees to set aside money from their pay check on a tax free basis to cover medical expenses not paid under the medical plan or to pay for dependent care expenses.

Revised July 2005

How the Insurance Plan Works ...

The State contributes toward the cost of the medical and dental coverage for each employee.

The State contribution is the same for each employee, regardless of the number of dependents the employee enrolls, or the plan they choose.

The basic principle of a "group" insurance plan is to spread the "risk" of medical/dental costs of a large group over all participants. This results in more affordable rates, particularly for those in need of higher levels of health care service. In some years, there are employees who do not receive reimbursement because they do not have any health care expenses, or the little they do have falls within deductible limits. Statistically speaking, in one out of ten years that same individual will have need to use the benefits as the result of a catastrophic medical illness or accident.

As members of the Group Plan age, claims can be expected to increase due to increased use of services associated with growing older. Rates can be expected to increase as claim levels increase.

As a part of the Department's website, the Group Insurance web pages provide the information most often used by our employees and agency customers. The site contains the **Employee Group Insurance Handbook**, the **Group Insurance Administration Manual** (a procedural guide for HR/Payroll offices), copies of the **Benefits Focus** newsletter, and other useful information related to the employee benefit programs administered by the Department. You can access this information through the State Employee Portal at: employee.idaho.gov

Currently, the average age of our employees in the state's Plan is 47. The average age of retirees is 71.

As members of the Plan age, claims can be expected to increase due to greater use of services associated with growing older.

MONTHLY STATE CONTRIBUTIONS For Medical and Dental Coverage

FY89 THROUGH FY2006

FY89	88.83	FY98	247.02
FY90	110.50	FY99	269.84
FY91	150.29	FY00	298.80
FY92	163.41	FY01	340.56
FY93	190.58	FY02	382.83
FY94	232.91	FY03	403.08
FY95	232.91	FY04	472.73
FY96	244.58	FY05	541.10
FY97	244.58	FY06	\$593.75*

* Includes \$17.08 for dental; \$8.00 retiree subsidy, and \$7.94 per month for IBHP.

FY 2006 Renewal Summary

- Increased State support - \$632.00 per FTP annually, or \$0.30 per hr.
- Added Disease Management Program
- Enhanced Wellness Benefits
- Maintained Employee Premiums

Premium Payments for FY 05:

Programs	State-Paid	Employee-Paid	Retiree-Paid	Total Program Costs
Medical	\$112,372,760	\$12,443,945	\$13,243,197	\$138,059,902
Dental	\$3,772,000	\$4,409,631		\$8,181,631
Life/Disability	\$7,376,401			\$7,376,401
Supplemental Life		\$1,060,147		\$1,060,147
Total Costs:	\$123,521,161	\$17,913,723	\$13,243,197	\$154,678,081